

Canada-U.S. Automotive Agreement

I think everyone in this house will agree that the automobile manufacturing industry is one of the backbones of Canadian industry. This pact will give the Canadian automobile industry free access to the huge United States, or really the huge North American market. What we really are hoping to accomplish in this agreement are three things primarily: first of all, increased production and a larger share of the North American market; second, increased employment in Canada; third, to improve competitive efficiency as reflected in the cost of automobiles to the automobile buyer.

I think, because the program has been in effect since January 1965, we now at this time can decide whether this to date has been a successful program. Under the first heading, increased production, we have, or have plans for, 69 new plants, and 136 plants which are planning expansions. The value of the capital investment in Canada in respect of these new plants to be constructed is \$400 million approximately, and for those which will expand their facilities an investment in Canada of capital of more than \$335 million.

In the Toronto-Hamilton area, which is relatively well within the reach of my constituency, we have 25 new plants, and 38 which are expanding their facilities, a total of 63 plants with a capital investment of something in the neighbourhood of \$75 million. As was mentioned earlier, there is no question but that the production of commercial vehicles in Canada has been rising steadily. As an example, in 1965 our production was up approximately 28 per cent from 1964. Reference already has been made to export and import of cars. Car parts and accessories, both exports and imports, are up. I think it is encouraging to all of us to know that the rate of increase of exports is greater than the rate of increase of imports. We certainly hope those two lines would meet.

● (8:10 p.m.)

The second factor, increased employment, has truly come about. There were approximately 57,000 people employed in the automobile industries in Canada in 1963; there were 66,000 in 1964 and 77,000 in 1965. I am pleased that approximately 1,700 additional workers have been employed in the automobile industry in the Toronto and Hamilton area of my riding, and that in the entire industry, as the minister mentioned earlier, there are something in the neighbourhood of 10,000 new jobs which have been

[Mr. Harley.]

created, with a potential addition of 7,000 in the foreseeable future.

Several members have already made reference to the comparative costs of automobiles. We have been pleased to note in the last car price list for 1966 models that there has been a narrowing of the gap between the United States and Canadian prices. We expect and hope that this trend will continue until there is equality in these prices.

It would appear that as a result of the conditions laid down at the time of the introduction of this automobile agreement we have been very successful. The things we hoped would be accomplished by this agreement appear to have been partially accomplished and I am sure that this trend will continue. Let me illustrate this success by reference to certain things which have happened in my riding.

In 1964 the construction of a \$25 million truck plant commenced. Recently it was officially opened. An additional shift has been instituted at that plant and at this time 400 trucks per day, through a two-shift program, are being produced. It is interesting to note that this truck plant is designed to produce as many trucks per year as were sold in 1965 by the entire Canadian industry.

This year the Ford Motor Company announced another \$13 million program to modify and re-equip a passenger car assembly plant in the Oakville area. As we are all aware, other changes are taking place at Windsor and Talbotville, to which reference will be made by other speakers. These facts reflect the boom which is taking place in this area, with attendant improvements to all sectors of the economy.

The hon. member for Wellington South (Mr. Hales) referred to the closure of the purchasing department of the Ford Motor Company at Oakville. I should like to elaborate on that reference and point out that a portion of the purchasing department has remained in Oakville, while part of its operations have moved to Windsor and part to Dearborn, Michigan. It is my understanding this change was contemplated long before the automotive agreement came into effect. While the signing of the agreement may have advanced this move, it was one that was due to take place in any event. As a member of parliament for that area I received only one telephone call in protest of this change. To my knowledge the employees transferred were given equal or better job opportunities. The